

Employees who are covered by the Federal Employees Retirement System (FERS) and the Civil Service Retirement Systems (CSRS) Offset Program, pay Social Security taxes each year up to a maximum amount that is set by law. For tax year 2013, the Social Security (Old-Age, Survivors and Disability Insurance, OASDI) maximum taxable earnings are \$113,700. FERS and CSRS Offset employees pay OASDI taxes at a rate of 6.2% (7,049.40) up to the \$113,700 maximum earnings. When the maximum earnings are reached, the biweekly salary deductions for OASDI taxes stop and FERS and CSRS Offset employees may see an increase in their net pay. Employees should be reminded that net pay is not only determined by the OASDI deductions since mandatory salary offsets or employee elections to change other deductions will increase or decrease their salary.